

7/047/013

ZIEGLER CHEMICAL & MINERAL CORP.

LITTLE BONANZA OPERATIONS

STAR ROUTE, VERNAL, UTAH 84078

Telephone: (435) 789-3593 Fax: (435) 789-3595

July 6, 2004

Mr. James F. Kohler
Chief, Solid Minerals Branch
U.S. Department of the Interior
Bureau of Land Management
P.O. Box 45155
Salt Lake City, Utah 84145-0155

RE: NOTICE OF NON-COMPLIANCE, FEDERAL LEASE UTU-0122693
RECLAMATION SCHEDULE

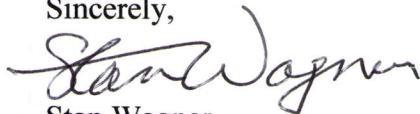
Dear Mr. Kohler,

Ziegler Chemical & Mineral Corporation will have the following facilities removed from federal lease UTU-0122693 by September 30, 2004:

Gilsonite ore bin	Concrete pads
Generator	Generator building
Diesel tanks	Water tank
Bath house and tank	Head frame footings

Between September 30 and October 30, 2004, Ziegler Chemical & Mineral Corporation, will permanently plug the Cowboy-Bandana #1 and Cowboy-Bandana #2 shafts. After the shafts have been plugged, Ziegler will re-contour and seed the area. Ziegler will have the re-seeding done before the end of November 2004 in order to take advantage of the Fall and Winter snow fall.

Sincerely,



Stan Wagner
Mine Superintendent

SJW

RECEIVED

JUL 08 2004

DIV. OF OIL, GAS & MINING

cc: Gordon Ziegler Jr., President, Ziegler Chemical & Mineral Corp.
Gayle McKeachnie, Esq., McKeachnie, Allred, McClellan & Trotter, P.C.
D. Wayne Hedberg, DOGM, Permit Supervisor, State of Utah
Stan Perks, B.L.M., Mining Engineer, Salt Lake City Office
Pete Sokolosky, B.L.M., Solid Minerals Geologist, Vernal Utah Office